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**CANADIAN GENERAL INVESTMENTS LIMITED**


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**1966**

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*Annual Report*

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# CANADIAN GENERAL INVESTMENTS LIMITED

## Board of Directors

ALEX. E. BARRON	EDWARD F. RYAN
F. R. BENNETTO, M.B.	M. O. SIMPSON, JR.
HON. RAY LAWSON, O.B.E., LL.D.	J. ALLYN TAYLOR
A. BRUCE MATTHEWS, C.B.E., D.S.O.	COLIN W. WEBSTER
M. C. G. MEIGHEN, O.B.E.	MARTIN L. WILLS
T. R. MEIGHEN, Q.C.	DONALD J. A. WRIGHT

## Officers

M. C. G. MEIGHEN, O.B.E.	President
HON. RAY LAWSON, O.B.E., LL.D.	Vice-President
MARTIN L. WILLS	Vice-President
ALEX. E. BARRON	Vice-President and Treasurer
E. LOUISE MORGAN	Secretary
FREDERIC ALLEN	Assistant-Treasurer

## Auditors

PRICE WATERHOUSE & CO.	Toronto
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## Registrar and Transfer Agent

THE CANADA TRUST COMPANY	Toronto
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## Office of Company

4 KING STREET WEST (Telephone 366-2932)	Toronto
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# CANADIAN GENERAL INVESTMENTS LIMITED

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting the Annual Report of your Company for the year ended December 31, 1966, consisting of the Balance Sheet, Statement of Income and Expense and Surplus Account, all as reported upon by your Company's Auditors.

The Balance Sheet discloses that the total assets of the Company, as at December 31, 1966, amounted to \$39,228,286. Marketable securities held by your Company were carried on the books of the Company at \$38,916,325. The indicated market value of these securities, as at December 31, 1966, was \$69,005,316. The indicated market value, therefore, exceeded the book value by \$30,088,991. If this amount is added to the assets, the total assets of the Company amount to \$69,317,277. From this amount should be deducted the total liabilities of the Company, namely, \$4,141, which leaves a net value of \$69,313,136. Based on the 960,941 common shares outstanding, as at December 31, 1966, each common share had an apparent equity value of approximately \$72.13.

The Statement of Income and Expense discloses that your Company, after paying all expenses, had net income for the year of \$2,456,312, which is equivalent to \$2.56 for each of the outstanding common shares.

During the year 1966 shareholders received stock dividends totalling \$2.20 per share in the form of immediately redeemable second preference shares as follows: 60¢ on March 30th; 40¢ on June 29th; 60¢ on September 29th and 60¢ on December 30th.



The Directors have declared a quarterly dividend consisting of two redeemable preference shares with a par value of 20¢ each, plus an extra of one redeemable preference share with a par value of 20¢, on each of the outstanding common shares, payable on March 30, 1967 to shareholders of record as of the close of business March 15, 1967. The preference shares to be issued as a stock dividend will be redeemed on March 31, 1967.

The portfolio of investments, as at December 31, 1966, is to be found at the back of this report.

Submitted on behalf of the Board.

*Jn. C. G. McEighen*

*President*

TORONTO, January 20, 1967.

# C A N A D I A N G E N E R A L

## Balance Sheet

DECEMBER 31, 1966

### Assets

Marketable Securities (Note)-	\$38,916,325
The indicated market value of these securities as at December 31, 1966 was \$69,005,316	
Cash in Bank	311,961
	<u>\$39,228,286</u>

### Liabilities

Income Taxes Payable	\$ 4,141
Share Capital:	
Authorized—	
22,703,062 3% non-cumulative non-voting preference shares with a par value of 20¢ each redeemable at the amount paid up thereon after the issue and redemption during the year of 10,570,351 shares	
1,000,000 common shares without par value	
Issued and outstanding—	
960,941 common shares	\$24,023,525
Surplus	<u>15,200,620</u>
Total capital and surplus	39,224,145

Approved on behalf of the Board:

M. C. G. MEIGHEN, *Director*

COLIN W. WEBSTER, *Director*

\$39,228,286

### Auditors' Report to the Shareholders of

#### CANADIAN GENERAL INVESTMENTS LIMITED:

We have examined the balance sheet of Canadian General Investments Limited as at December 31, 1966 and the statements of income and expense and surplus for the year ended on that date. Our examination included an inspection of share certificates and other evidence of the investments held by the company as at December 31, 1966, and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and related statements of income and expense and surplus present fairly the financial position of the company as at December 31, 1966 and its income for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, January 9, 1967.

PRICE WATERHOUSE & CO.

Chartered Accountants.

# I N V E S T M E N T S                      L I M I T E D

## *Surplus Account*

FOR THE YEAR ENDED DECEMBER 31, 1966

Balance January 1, 1966 - - - - -		\$14,976,617
Net income for year - - - - -	\$ 2,456,312	
Net profit on securities sold - - - - -	75,766	2,532,078
		<u>17,508,695</u>
Dividends paid on common shares:		
Stock dividends in preference shares subsequently redeemed - - - - -	2,114,070	
Tax paid under Section 105(2) of the Income Tax Act - - - - -	194,005	2,308,075
Balance December 31, 1966 - - - - -		<u><u>\$15,200,620</u></u>

## *Statement of Income and Expense*

FOR THE YEAR ENDED DECEMBER 31, 1966

Income:		
Dividends received during year - - - - -	\$ 2,737,811	
Less—Allowance for depletion - - - - -	85,923	
	<u>2,651,888</u>	
Interest earned - - - - -	35,870	\$ 2,687,758
Expense:		
Management fee - - - - -	206,505	
Directors' fees - - - - -	5,705	
Miscellaneous - - - - -	13,971	226,181
		<u>2,461,577</u>
Net income before provision for income taxes - - - - -		5,265
Provision for income taxes - - - - -		<u><u>\$ 2,456,312</u></u>
Net income for year - - - - -		

### NOTE TO FINANCIAL STATEMENTS DECEMBER 31, 1966

The carrying value of securities held at December 31, 1966 is as follows:

- (a) Securities purchased prior to 1952 are at cost or at market value in 1952 when a portion of the portfolio was written up to approximate market value as part of a capital reorganization.
- (b) The securities purchased since 1952 have been recorded at cost.

In addition, the above carrying values have been reduced by the following:

- (a) Allowance for depletion on securities where the Government of Canada grants such allowances;
- (b) Stock dividends received where such stock dividends were paid out of accumulated surplus over and above the normal dividend.

Profits (or losses) on sales of securities have been taken at the difference between the proceeds received and the average net carrying value at the date of sale.

The indicated market values of portfolio holdings are the result of pricing the company's holdings at the closing quoted market prices as at December 31. Such amounts do not necessarily represent the value of the total holding in any company which may be more or less than that indicated by market quotations.



# CANADIAN GENERAL INVESTMENTS LIMITED

## *Summary by Industry*

INDUSTRY	VALUE AS OF DEC. 31, 1966	PERCENT OF PORTFOLIO
Industrial Management - - - - -	\$10,291,250	14.9
Steel - - - - -	9,545,000	13.8
Banks and Trust Companies - - - - -	6,641,875	9.6
Business Forms - - - - -	6,055,000	8.8
Investment Trusts - - - - -	5,705,000	8.3
Forest Products - - - - -	5,528,750	8.0
Metals - - - - -	5,433,750	7.9
Beverages - - - - -	4,888,750	7.1
Merchandising - - - - -	2,970,750	4.3
Packing - - - - -	2,898,750	4.2
Oils - - - - -	2,713,500	3.9
Textiles and Chemicals - - - - -	1,347,500	2.0
Pipelines - - - - -	1,205,625	1.8
Miscellaneous - - - - -	1,200,503	1.7
Metal Products - - - - -	1,130,000	1.6
Utilities - - - - -	915,000	1.3
Finance - - - - -	534,313	.8
	<hr/>	<hr/>
	\$69,005,316	100.0



# CANADIAN GENERAL INVESTMENTS LIMITED

## Portfolio of Investments

AS AT DECEMBER 31, 1966

No. of Shares		Total Market Value \$	% of Portfolio	No. of Shares		Total Market Value \$	% of Portfolio
	<b>Banks and Trust Companies</b>	<b>6,641,875</b>	<b>9.6</b>		<b>Industrial Management</b>	<b>10,291,250</b>	<b>14.9</b>
2,500	Bank of Montreal - - - - -	131,875	.2	170,000	Argus Corporation - - - - -	2,443,750	3.5
2,000	Bank of Nova Scotia - - - - -	126,000	.2	730,000	Argus Corporation Class "C" Prefd. - - - - -	7,847,500	11.4
620,000	Huron and Erie Mortgage Corporation - - - - -	5,425,000	7.8				
1,000	Provincial Bank of Canada - - -	38,500	.1				
10,000	Royal Bank of Canada - - - -	692,500	1.0				
4,000	Toronto-Dominion Bank - - -	228,000	.3				
	<b>Beverages</b>	<b>4,888,750</b>	<b>7.1</b>				
104,000	Distillers Corporation- Seagrams - - - - -	3,445,000	5.0		<b>Investment Trusts</b>	<b>5,705,000</b>	<b>8.3</b>
50,000	Hiram Walker-Gooderham and Worts - - - - -	1,443,750	2.1	652,000	Third Canadian General Investment Trust - - - - -	5,705,000	8.3
	<b>Business Forms</b>	<b>6,055,000</b>	<b>8.8</b>				
70,000	Moore Corporation - - - - -	6,055,000	8.8				
	<b>Finance</b>	<b>534,313</b>	<b>.8</b>		<b>Merchandising</b>	<b>2,970,750</b>	<b>4.3</b>
25,750	Industrial Acceptance Corporation - - - - -	534,313	.8	65,000	Canadian Tire Corporation "A" Prefd. - - - - -	926,250	1.3
				7,000	Cochrane-Dunlop Hardware - -	147,000	.2
				60,000	Simpsons - - - - -	1,665,000	2.4
				10,000	Woodward Stores Limited - - -	232,500	.4
	<b>Forest Products</b>	<b>5,528,750</b>	<b>8.0</b>		<b>Metal Products</b>	<b>1,130,000</b>	<b>1.6</b>
50,000	Fraser Companies - - - - -	1,056,250	1.6	100,000	Hayes Dana Ltd. - - - - -	900,000	1.3
110,000	Great Lakes Paper - - - - -	2,447,500	3.5	10,000	P. L. Robertson Mfg. Co. - - -	230,000	.3
20,000	MacIaren Power & Paper Class "A" Prefd. - - - - -	410,000	.6				
25,000	MacIaren Power & Paper Class "B" Prefd. - - - - -	568,750	.8				
45,000	MacMillan, Bloedel Ltd. - - -	1,046,250	1.5				

Note: Argus Corporation holds shares in the following companies: British Columbia Forest Products, Canadian Breweries, Dominion Stores, Domtar Limited, Hollinger Consolidated Gold Mines, Massey-Ferguson and Standard Radio.

# CANADIAN GENERAL INVESTMENTS LIMITED

No. of Shares		Total Market Value \$	% of Portfolio	No. of Shares		Total Market Value \$	% of Portfolio
	<b>Metals</b>	<b>5,433,750</b>	<b>7.9</b>		<b>Steel</b>	<b>9,545,000</b>	<b>13.8</b>
	(a) Base Metals	1,855,000	2.7	220,000	Algoma Steel Corporation - - -	4,895,000	7.1
50,000	Cominco Limited - - - - -	1,537,500	2.2	200,000	Dominion Foundries & Steel - -	3,650,000	5.3
5,000	Hudson Bay Mining & Smelting Co. - - - - -	317,500	.5	50,000	Steel Company of Canada - - -	1,000,000	1.4
	(b) Other Metals and Minerals	3,578,750	5.2				
40,000	Alcan Aluminium Ltd. - - - -	1,210,000	1.8		<b>Textiles and Chemicals</b>	<b>1,347,500</b>	<b>2.0</b>
25,000	International Nickel Co. of Canada - - - - -	2,368,750	3.4	16,000	Canadian Industries - - - - -	242,000	.4
				13,000	Dominion Textile - - - - -	370,500	.5
				10,000	Du Pont of Canada - - - - -	350,000	.5
				20,000	Union Carbide - - - - -	385,000	.6
	<b>Oils</b>	<b>2,713,500</b>	<b>3.9</b>				
40,000	Imperial Oil - - - - -	2,295,000	3.3		<b>Utilities</b>	<b>915,000</b>	<b>1.3</b>
9,000	D. A. Stuart Oil - - - - -	418,500	.6	60,000	Consumers' Gas - - - - -	915,000	1.3
	<b>Packing</b>	<b>2,898,750</b>	<b>4.2</b>				
10,000	Canada Packers "A" Prefd. - - -	667,500	1.0		<b>Miscellaneous</b>	<b>1,200,503</b>	<b>1.7</b>
35,000	Canada Packers "B" - - - - -	2,231,250	3.2	5,000	Maple Leaf Mills - - - - -	82,500	.1
	<b>Pipelines</b>	<b>1,205,625</b>	<b>1.8</b>	24,000	Southam Press Limited - - - -	768,000	1.1
10,000	Interprovincial Pipe Line - - -	840,000	1.2	6,765	Traders' Building Association - -	233,393	.3
15,000	Trans-Canada Pipe Lines - - -	365,625	.6	5,070	United Canadian Shares - - - -	116,610	.2



